

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

FINANCIAL SUMMARY

	FY 2001 EXPENDITURE	FY 2002 APPROPRIATION	FY 2003 REQUEST	GOVERNOR RECOMMENDS FY 2003
Division of General Administration	\$ 3,487,303,355	\$ 3,635,949,003	\$ 3,923,978,550	\$ 3,844,689,190
Division of Operations	12,130,593	200,000	0	0
Divisions of School Improvement/Teacher Quality and Urban Education	270,218,120	405,281,807	419,319,695	431,887,122
Division of Vocational Rehabilitation	97,798,639	140,902,737	169,159,742	161,116,044
Division of Vocational and Adult Education	48,437,105	64,806,033	78,768,207	68,515,832
Division of Special Education	140,914,027	186,763,090	219,418,281	215,251,378
Board Operated School Programs	1,473,926	1,555,000	1,555,000	1,555,000
Missouri Occupational Information Coordinating Committee	279,471	285,516	399,126	396,516
Commission for the Deaf	351,794	492,043	884,916	492,043
DEPARTMENTAL TOTAL	\$ 4,058,907,030	\$ 4,436,235,229	* \$ 4,813,483,517	\$ 4,723,903,125
General Revenue Fund	290,933,547	271,124,489	315,469,779	266,613,227
Federal Funds	536,552,395	783,638,904	824,053,163	872,288,296
School District Bond Fund**	266,940	7,000,000	10,500,000	7,000,000
Certification of Interpreters Fund	47,751	87,000	87,000	87,000
School Building Revolving Fund	0	1,500,000	1,500,000	1,500,000
Independent Living Center Fund	202,013	210,000	210,000	210,000
Outstanding Schools Trust Fund***	514,996,762	541,755,910	761,191,674	493,588,583
Bingo Proceeds for Education Fund	1,705,604	1,707,167	1,707,167	1,707,167
Lottery Proceeds Fund	74,788,650	87,765,127	87,860,231	111,301,083
VIDEO Fund****	1,131,474	1,225,724	4,137,697	0
State School Moneys Fund*****	1,924,424,155	1,972,885,417	2,029,320,915	2,215,667,931
Handicapped Children's Trust Fund	0	30,000	30,000	30,000
Healthy Families Trust Fund-Early Childhood Care and Education Account	0	6,458,050	6,458,050	0
Excellence in Education Fund	1,606,096	2,929,210	2,934,755	2,929,210
Fair Share Fund	23,279,910	23,835,000	23,835,001	22,929,326
School District Trust Fund	661,149,960	700,435,389	700,435,390	691,456,241
After-School Retreat Reading and Assessment Grant Program Fund	0	0	10,104,853	0
State Public School Fund	8,025,992	10,000,000	10,000,000	10,000,000
Early Childhood Development, Education and Care Fund	18,321,855	22,122,842	22,122,842	25,070,061
School for the Blind Trust Fund	1,460,325	1,500,000	1,500,000	1,500,000
School for the Deaf Trust Fund	13,601	25,000	25,000	25,000
Full-time equivalent employees	2,033.81	2,027.22	2,060.72	2,049.28

* Does not include \$9,952,204 recommended in the Fiscal Year 2002 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding Department of Elementary and Secondary Education supplemental appropriations.

** The school district bond fund received the following transfers from the gaming proceeds for education fund: \$7,000,000 in Fiscal Year 2001 expenditure, \$7,000,000 in Fiscal Year 2002 appropriation, and \$5,271,458 in Governor recommends for Fiscal Year 2003.

*** The outstanding schools trust fund received the following transfers from general revenue: \$416,500,000 in Fiscal Year 2001 expenditure, \$451,300,000 in Fiscal Year 2002 appropriation, and \$421,300,000 in Governor recommends for Fiscal Year 2003.

**** The VIDEO fund received the following transfers from general revenue: \$1,600,000 in Fiscal Year 2001 expenditure and \$1,253,224 in Fiscal Year 2002 appropriation.

***** The state school moneys fund received the following transfers from general revenue: \$1,664,302,645 in Fiscal Year 2001 expenditure, \$1,729,063,914 in Fiscal Year 2002 appropriation, and \$1,777,219,814 in Governor recommends for Fiscal Year 2003. The state school moneys fund also received the following transfers from the gaming proceeds for education fund: \$179,335,388 in Fiscal Year 2001 expenditure, \$186,751,000 in Fiscal Year 2002 appropriation, and \$310,280,000 in Governor recommends for Fiscal Year 2003.

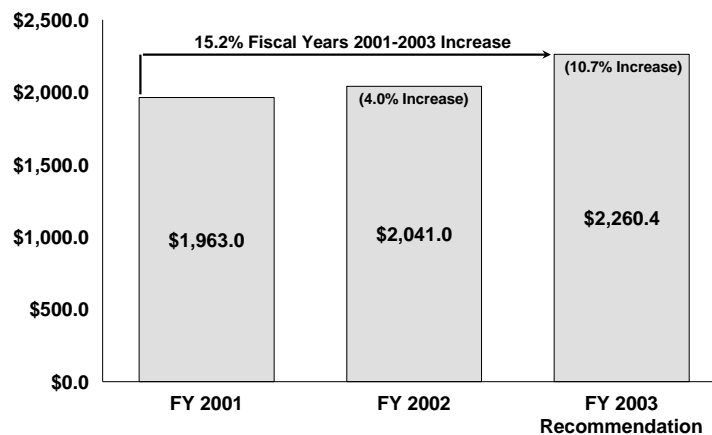
DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

POLICY SUMMARY

Governor Holden's commitment to improving education for our students comes with a belief that Missouri has a moral responsibility to support its public schools and to continue the progress already made in education. The Governor's recommendations for Fiscal Year 2003 support his five major goals: making sure our children are ready to learn when they enter school; elevating the professional status of teaching; enhancing student performance standards and school accountability; reducing class size so students can receive more individual attention; and increasing the emphasis on personal character and discipline among our students.

A weakened economy and considerable growth in mandatory programs like Medicaid has resulted in the most significant budget challenge the state has faced since the early 1990s. The Fiscal Year 2003 budget includes the deepest core reductions ever recommended by a Missouri governor. These core reductions are necessary to ensure a balanced budget while continuing to provide essential state services. There are relatively few general revenue fund increases recommended in the Fiscal Year 2003 budget, and those recommended focus on mandatory programs. Governor Holden's number one priority is to fully fund the foundation formula distributions to public schools. The Governor recommends an increase of \$219.4 million to continue full funding of the foundation equity formula and At-Risk Program.

**Fiscal Year 2003
Increased Funding for the Foundation Equity Formula
and At-Risk Program
(in millions)**



Enhancing Equity for School Children

- \$219.4 million increase (10.7 percent) for the foundation equity formula and At-Risk Program, bringing total funding to \$2.3 billion.

Ensuring Accountability and Innovation

- Outstanding Schools Waivers – no cost. Schools that consistently perform at exemplary levels in the statewide assessment system will be granted Outstanding Schools Waivers. These waivers of rules and regulations promote flexibility and innovation in the operations of the school, encourage efficiency, and promote school-centered decision making.
- Academically Deficient Schools – funding included in the foundation formula increase. Schools that repeatedly fail to provide their students with an adequate education may be declared academically deficient. Funds will be made available through a portion of one percent of the foundation formula funding set aside to address statewide areas of critical need to help these schools recover from academic deficiency.
- Professional Development and Training for Educators – one percent of a school district's foundation formula money is allocated for professional development for teachers. Also, an additional one percent of the total foundation formula appropriation, \$18.8 million in Fiscal Year 2003, will be targeted to statewide areas of critical need.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

POLICY SUMMARY (Continued)

DIRECT STATE AID TO LOCAL SCHOOLS: Governor Holden's Fiscal Year 2003 budget includes \$3.7 billion in direct state aid to local public schools. In addition to the increase in the foundation formula and other programs discussed earlier, increases in direct state aid to local schools include:

- \$6.5 million for Early Childhood Special Education for educational services provided to three- and four-year-old children with disabilities, bringing total state funding to \$69.6 million.
- \$2.1 million for payments to public schools for students placed by the Division of Family Services and the Department of Mental Health.

STATE AID TO LOCAL SCHOOL DISTRICTS (Not Including Desegregation) (in millions)

	FY 2002 APPROPRIATION	FY 2003 RECOMMENDATION
Equity Formula and At-Risk	\$ 2,041.00	\$ 2,260.42
Transportation	162.06	162.06
Gifted	24.87	24.87
Special Education	149.62	149.62
Remedial Reading	11.10	11.10
Early Childhood Special Education	63.16	69.62
Career Ladder	38.34	38.34
Vocational Education	54.57	52.83
Parents As Teachers	36.40	30.31
Subtotal Foundation Program	\$ 2,581.12	\$ 2,799.17
Other State Aid		
A+ Schools Program	\$ 19.30	\$ 19.30
Technology Grants	16.73	12.97
Adult Literacy	0.52	0.52
Caring Communities	1.29	1.00
Safe Schools Grants	10.35	10.35
Proposition C Sales Tax	700.44	691.46
Fair Share Cigarette Tax	23.84	22.93
Free Textbook Fund	75.72	74.23
School Food Program	3.48	3.46
VIDEO Fund	1.09	0
Read to be Ready Grants	6.70	0
Special Ed. Excess Cost/Severe Disability	1.30	0
Early Childhood Program	15.14	15.14
DFS/DMH School Placements	5.26	7.34
Subtotal Other State Aid	\$ 881.16	\$ 858.70
Total State Aid to Local Schools	\$ 3,462.28	\$ 3,657.87

FIRST STEPS: The Governor recommends a \$2.9 million increase to provide early intervention services for developmentally delayed infants. This increase brings total state funding to \$9.1 million.

PERSONAL CARE ASSISTANCE: The Governor recommends \$23.5 million to increase the Personal Care Assistance Program for Medicaid-eligible Missourians, allowing individuals with disabilities to choose to receive services in the community rather than in a nursing home.

TITLE I: The Governor recommends \$14.9 million federal funds for the Reading First Grant Program. This grant program will provide resources to school districts for teacher professional development with the focus on reading instruction. The program serves students in the primary grades and also provides for the purchasing of reading materials to be used for instruction.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

POLICY SUMMARY (Continued)

TITLE II: The Governor recommends \$23.2 million federal funds for the Improving Teacher Quality Grants Program. This funding supports professional development activities at the local level that are focused on improving student achievement.

GAMING REVENUES FOR EDUCATION:

Lottery Proceeds for Education

During Fiscal Year 2003, \$185.8 million will be available from ongoing lottery revenues. Of this amount, \$11.3 million will support programs in the Department of Elementary and Secondary Education. More information about lottery funds can be found in the Higher Education section of the Missouri Budget.

Riverboat Gaming Proceeds for Education

All riverboat gaming proceeds in excess of the amount transferred to the school district bond fund must be transferred by law to the state school moneys fund for the foundation formula. For Fiscal Year 2003, the Governor recommends transferring \$5.3 million in gaming proceeds to the school district bond fund for use by the Missouri Health and Education Facilities Authority to pay costs associated with school bond issues and credit enhancement. The Governor recommends that the remaining \$312 million be transferred to the state school moneys fund.

PERFORMANCE MEASURES

Some performance measures the Department of Elementary and Secondary Education uses to evaluate student achievement follow:

	1999	2000	2001
*Percent of students scoring at or above the targeted skill level			
-4th grade math	35%	37%	38%
-8th grade math	10%	14%	15%
-10th grade math	10%	10%	13%
-3rd grade science	35%	45%	46%
-7th grade science	15%	15%	14%
-10th grade science	5%	6%	9%
-3rd grade communication arts	29%	32%	32%
-7th grade communication arts	31%	32%	34%
-11th grade communication arts	23%	23%	23%
-4th grade social studies	26%	38%	42%
-8th grade social studies	36%	42%	42%
-11th grade social studies	14%	17%	20%
-5th grade health-physical education	N/A	39%	43%
-9th grade health-physical education	N/A	21%	39%
Average annual dropout rate among Missouri public school students, grades 9-12	4.7%	4.3%	4.5%
Graduation rate among Missouri public high school students	78.5%	80.3%	81.4%
Percent of 18-year-olds with a high school diploma or GED	84.4%	86.4%	87.5%
Average ACT score of Missouri high school graduates	21.6	21.6	21.4
Percent of vocational education graduates continuing their education or employed	93.4%	93.2%	N/A

* Social studies results for 1999 and health-physical education results for 2000 are based on voluntary administration of the assessment. Mandatory administration, in which all districts participate, began in 1998 for math, 1999 for science and communication arts, 2000 for social studies, and 2001 for health-physical education.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

POLICY SUMMARY (Continued)

A key performance measure the Department of Elementary and Secondary Education uses to evaluate early childhood care and education follows:

	1999	2000	2001
*Percent of children with average or above average school readiness skills	75%	76%	79%

* The Missouri School Entry Assessment was conducted for the first time during the 1998-1999 school year. The assessment is based on a statewide sample of kindergarten students and provides important information about what children entering Missouri's public kindergartens know and can do, as well as their preschool experiences.

**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
GENERAL ADMINISTRATION**

FINANCIAL SUMMARY

	FY 2001 EXPENDITURE	FY 2002 APPROPRIATION	GOVERNOR RECOMMENDS FY 2003
Administrative and Financial Services	\$ 9,616,812	\$ 14,336,715	\$ 11,616,298
State Public School Fund	8,025,992	10,000,000	10,000,000
Court-Ordered Payments	50,000,000	20,000,000	20,000,000
School Foundation Program Distribution	2,546,762,459	2,630,581,914	2,848,637,006
Early Grade Literacy/Professional Development	607,862	550,000	550,000
School Food Services	111,683,780	136,983,785	141,773,569
Performance Measures	254,069	0	0
School Building Revolving Fund	0	1,500,000	1,500,000
Special School Advisors	1,391	1,500	900
Fair Share Distribution	23,279,910	23,835,000	22,929,326
School District Trust Fund Distribution	661,149,960	700,435,389	691,456,241
County Foreign Insurance Tax	74,767,421	75,724,700	74,225,850
School District Bond Intercept Program	266,940	7,000,000	7,000,000
Federal Grants and Donations	886,759	15,000,000	15,000,000
TOTAL	\$ 3,487,303,355	\$ 3,635,949,003	\$ 3,844,689,190
General Revenue Fund	176,768,912	147,890,169	145,696,907
Federal Funds	114,690,920	157,776,296	161,744,371
Bingo Proceeds for Education Fund	1,705,604	1,707,167	1,707,167
Other Funds	3,194,137,919	3,328,575,371	3,535,540,745
Full-time equivalent employees	1,067.31	1,054.72	1,029.22

ADMINISTRATIVE AND FINANCIAL SERVICES

The Department of Elementary and Secondary Education is supervised by the State Board of Education, which consists of eight members appointed for eight-year terms by the Governor with the advice and consent of the Senate. The board appoints the Commissioner of Education as its chief administrative officer.

The Division of Administrative and Financial Services consists of all internal and external business functions of the department. It is responsible for distributing all federal and state funds to local school districts and other agencies. The external areas consist of the school finance, school food services, and school governance and facilities sections. School finance and school governance jointly administer the school transportation program. The internal business areas consist of accounting and procurement, human resources, budget, research and planning, printing and publications, mail services, information technology, and telecommunications. The school finance section calculates each school district's share of the foundation formula distribution and other sources of state aid.

Fiscal Year 2003 Governor's Recommendations

- \$167,596 and four staff transferred from the Division of School Improvement.
- (\$1,566,273) and (28) staff transferred to the Division of School Improvement, including (\$719,805) general revenue.
- (\$1,204,896) lottery proceeds fund core reduction for one-time expenditures.
- (\$116,844) and (1.5) staff in core reduction from the Fiscal Year 2002 appropriation level.

STATE PUBLIC SCHOOL FUND

The state public school fund is a non-expendable trust fund consisting of all moneys, bonds, lands, and other properties belonging to or donated to the state for school purposes and the proceeds of all sales of land and other property that accrue to the state by escheat. Only the interest earned from the investments is appropriated for the support of public schools.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

GENERAL ADMINISTRATION (Continued)

COURT-ORDERED PAYMENTS

Court supervision of the St. Louis and Kansas City School Districts ended in 1999. State desegregation payments in the Kansas City case ended in Fiscal Year 1999 pursuant to a settlement in 1997. With passage of SB 781 in 1998, local voter approval of matching funds in February 1999, and court approval in March 1999, St. Louis desegregation operating budget payments were ended in Fiscal Year 1999 while transfer costs and capital improvement payments will be phased out. Fiscal Year 2001 payments totaled \$50 million, with \$25 million for voluntary transfer costs and \$25 million for capital costs. The Fiscal Year 2002 and Fiscal Year 2003 budgets include \$20 million for capital outlays in St. Louis. As these payments phase out, savings will be redirected to the school foundation formula for the benefit of school districts across the state.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

FINANCIAL SUMMARY

	FY 2001 EXPENDITURE	FY 2002 APPROPRIATION	GOVERNOR RECOMMENDS FY 2003
Teachers Participating in Career Ladder Program	15,827	16,688	16,880
Early Childhood Development Screenings	141,808	144,644	147,537
Families Served by Parent Education	157,237	160,381	163,589
Students Provided Early Childhood Special Education	8,036	8,357	8,692
Equity Formula	\$ 1,642,065,037	\$ 1,694,833,776	\$ 1,894,982,281
At-Risk Program	331,524,724	346,157,945	365,440,235
Transportation	162,067,444	162,067,713	162,067,713
Special Education	149,160,730	149,617,982	149,617,982
Remedial Reading	10,989,054	11,096,925	11,096,925
Early Childhood Special Education	57,788,438	63,161,098	69,621,995
Gifted Programs	24,104,301	24,870,104	24,870,104
Career Ladder	38,008,649	38,337,774	38,337,774
Vocational Education	54,148,221	54,624,528	52,880,428
Early Childhood Development	29,247,974	36,397,151	30,304,651
State Board Operated Schools	47,657,887	49,416,918	49,416,918
TOTAL	\$ 2,546,762,459	\$ 2,630,581,914	\$ 2,848,637,006
General Revenue Fund	44,066,732	44,632,170	44,632,170
Federal Funds	1,885,551	3,077,581	3,077,581
Outstanding Schools Trust Fund	513,580,149	540,539,119	492,371,792
Bingo Proceeds for Education Fund	1,705,604	1,707,167	1,707,167
Lottery Proceeds Fund	58,509,609	58,707,960	88,240,365
State School Moneys Fund	1,923,469,555	1,972,725,417	2,215,507,931
Healthy Families Trust Fund-Early Childhood			
Care and Education Account	0	6,092,500	0
Early Childhood Development, Education and Care Fund	3,545,259	3,100,000	3,100,000
Full-time equivalent employees	936.31	923.72	923.72

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

GENERAL ADMINISTRATION (Continued)

SCHOOL FOUNDATION PROGRAM DISTRIBUTION

The foundation formula provides equitable education funding for school children. The formula apportions money to school districts based on local effort as measured by the local property tax levy for school purposes and on local wealth. Increased local effort results in higher state funding, while increased local wealth results in lower state funding. Fully funded, the formula ensures that a one-penny levy provides the same funding to 95 percent of all students from a combination of equity formula and local property tax revenues.

In addition, the Foundation Program includes funding for seven categorical add-on programs, including programs for special needs students, transportation, special education, gifted, career ladder, vocational education, and early childhood development programs. Extra funding is also provided to districts based on the number of students eligible for the federal Free- and Reduced-Price Lunch Program. While the money received for this program must be spent on programs for children with special educational needs, the local school district chooses which special needs programs will be funded.

If the formula is not fully funded, then the categorical add-on programs may not be fully funded. The system protects against the equity formula being shortchanged and provides more equity in funding. The transportation add-on pays school districts up to 75 percent of the allowable costs of school bus and other transportation. The special education add-on assists districts in providing required educational services to students with disabilities. The special education add-on also includes funding for the Early Childhood Special Education Program that serves children ages three and four. The gifted program add-on provides up to 75 percent of the cost of instructor salaries and materials to provide appropriate opportunities for gifted students.

The remaining categorical add-on programs have received state funding in the past, with the exception of the violence prevention add-on. The Career Ladder Program provides an incentive to teachers, librarians, and counselors who voluntarily participate in professional development activities. The program provides for three career stages with salary supplements of up to \$1,500, \$3,000, and \$5,000. Each stage requires the teacher to obtain a higher level of professional development. This program is financed by state and local matching funds. Each district's local match is determined by its wealth, as measured by its assessed valuation per pupil, with wealthier districts paying a higher local match. In addition, teachers that complete the National Board for Professional Teaching Standards Program are automatically placed in the third career stage.

The Early Childhood Development Program authorizes state reimbursement to school districts that provide any of three programs for preschool children: 1) developmental screening to measure the progress of children and to determine problems, potential problems, or advanced abilities in understanding, use of language, sight, hearing, motor development, health, and physical development; 2) parent education to provide resource materials and guidance to parents to improve learning in the home; and 3) programs for developmentally delayed children to provide individual and group counseling and learning activities to help these children catch up with their peers before entering school.

State funding for vocational education programs serves as an incentive to public schools to offer vocational education programs. Also, some state vocational education funds are distributed to institutions of higher education, state agencies, and business establishments. A complete description of the vocational education distribution can be found later in this budget.

This appropriation also includes state funding for Missouri's State Board Operated Schools. This program is discussed in detail later in this budget.

Fiscal Year 2003 Governor's Recommendations

- \$200,148,505 other funds for the equity formula.
- \$19,282,290 other funds for the At-Risk Program.
- \$6,460,897 lottery proceeds fund for early childhood special education.
- (\$6,092,500) healthy families trust fund core reduction from the Fiscal Year 2002 appropriation level for the Parents as Teachers Program.
- (\$1,656,600) state school moneys fund core reduction from the Fiscal Year 2002 appropriation level for the Vocational Education Customized Training Program.
- (\$87,500) state school moneys fund core reduction from the Fiscal Year 2002 appropriation level for the Vocational Education High Technology Centers Program.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

GENERAL ADMINISTRATION (Continued)

EARLY GRADE LITERACY PROGRAM

In addition to the professional development provided to teachers through the foundation formula, additional funding has been provided through this program to help improve early literacy teaching statewide. Funds are used to train Reading Recovery teachers across the state in order to encourage school districts to implement a Reading Recovery Program, train Early Literacy teachers who will work with small groups of at-risk students, and train teacher leaders at approved sites.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

SCHOOL FOOD SERVICES

This program reimburses school districts for food services to enable them to offer nutritionally balanced, low-cost meals for school children. Federal funds, required state matching funds, local funds, and commodities donated by the U.S. Department of Agriculture minimize the meal charge to children.

Fiscal Year 2003 Governor's Recommendations

- \$4,814,543 federal funds for school food services.
- (\$24,759) core reduction from the Fiscal Year 2002 appropriation level.

SCHOOL BUILDING REVOLVING FUND

The school building revolving fund represents the receipts of all forfeitures of assets for breach of the penal laws. School districts may submit applications for lease purchases from the fund.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

SPECIAL SCHOOL ADVISORS

Missouri public school teachers who retired prior to July 1, 1957, may apply to become special school advisors and receive a salary supplement of up to \$75 per month from the state to bring their combined income from this program and teacher retirement benefits to \$150 per month.

Fiscal Year 2003 Governor's Recommendations

- (\$600) core reduction from the Fiscal Year 2002 appropriation level.

FAIR SHARE DISTRIBUTION

Tax receipts from four cents per cigarette pack are deposited in the fair share fund established by Section 149.015, RSMo. Funds are distributed to elementary and secondary schools on the basis of average daily attendance of the school district.

Fiscal Year 2003 Governor's Recommendations

- (\$905,674) fair share fund core reduction from the Fiscal Year 2002 appropriation level.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

GENERAL ADMINISTRATION (Continued)

SCHOOL DISTRICT TRUST FUND DISTRIBUTION

Proposition C provides a one percent sales tax for elementary and secondary education. Revenue generated by this tax is deposited in the school district trust fund and distributed based on the number of eligible pupils in each school district.

Fiscal Year 2003 Governor's Recommendations

- (\$8,979,148) school district trust fund core reduction from the Fiscal Year 2002 appropriation level.

COUNTY FOREIGN INSURANCE TAX

The county foreign insurance tax represents the receipts of a two percent per annum tax levied on the direct premiums of insurance companies not based in Missouri but doing business in Missouri. One-half of the net receipts of the county foreign insurance tax from the previous year are distributed by the state to school districts on the basis of the number of school children within each county pursuant to Section 140.360, RSMo.

Fiscal Year 2003 Governor's Recommendations

- (\$1,498,850) core reduction from the Fiscal Year 2002 appropriation level.

SCHOOL DISTRICT BOND INTERCEPT PROGRAM

SB 301 (1995) created the school district bond fund for use by the Missouri Health and Education Facilities Authority to pay costs associated with school bond issues and credit enhancement. The law allows up to \$7 million per year to be transferred from the gaming proceeds for education fund to the school district bond fund.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

FEDERAL GRANTS AND DONATIONS

The federal grants and donations appropriation provides authority to accept and make use of federal grants and donations that may become available during the fiscal year. The department will notify the House and Senate budget committees and the Office of Administration prior to acceptance of any new financial assistance or grants.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

DIVISION OF OPERATIONS

DIVISION OF OPERATIONS

Until Fiscal Year 2002, the Division of Operations consisted of the administration costs for the Divisions of Instruction (now School Improvement), Urban and Teacher Education (now Teacher Quality and Urban Education), Special Education, and Vocational and Adult Education. In Fiscal Year 2002, the divisions and their respective appropriations were separated with the exception of a small amount left for Vocational and Adult Education maintenance of effort purposes.

Fiscal Year 2003 Governor's Recommendations

- (\$200,000) transferred to the Division of School Improvement.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISIONS OF SCHOOL IMPROVEMENT/TEACHER QUALITY AND URBAN EDUCATION

DIVISION OF SCHOOL IMPROVEMENT

The Division of School Improvement provides consultant services to administrators and teachers in the areas of instruction and curriculum development. The division classifies and accredits school districts through the Missouri School Improvement Program. The division assists school districts in expanding or improving their curriculum and instructional programs. It administers three Outstanding Schools Act programs, including the A+ Schools Program, and provides payments and local program approval for the Early Childhood Development and the Safe Schools Programs. The division also assists school districts in establishing and funding gifted education programs and administers the Missouri Scholars Academy. In addition, the division manages the following federal programs: Compensatory Education, Instructional Improvements Grants, Math/Science Instruction Grant, and Drug Abuse Education.

Fiscal Year 2003 Governor's Recommendations

- \$1,566,273 and 28 staff transferred from the Division of General Administration, including \$719,805 general revenue.
- \$244,930 federal funds transferred from the Division of Special Education.
- \$215,066 and six staff transferred from the Division of Teacher Quality and Urban Education, including \$170,714 general revenue.
- \$200,000 transferred from the Division of Operations.
- \$190,259 transferred from the Division of Vocational and Adult Education, including \$65,052 general revenue.
- (\$167,596) and (four) staff transferred to the Division of General Administration.
- (\$136,205) video instructional development and educational opportunities fund and (1.94) staff in core reduction from the Fiscal Year 2002 appropriation level.
- (\$82,706) and (two) staff in core reduction from the Fiscal Year 2002 appropriation level.
- (\$2,812) outstanding schools trust fund transferred to the Division of Teacher Quality and Urban Education.

DIVISION OF TEACHER QUALITY AND URBAN EDUCATION

The Division of Teacher Quality and Urban Education contains the teacher certification, professional conduct and investigation, teacher recruitment and retention, professional development, and urban education sections. The division issues teaching certificates, conducts background checks, and delivers urban education workshops annually on crime, violence, and vandalism prevention in public schools. The division administers the National Board for Professional Teaching Standards Program, the Career Ladder Program, and teacher education assessment.

Fiscal Year 2003 Governor's Recommendations

- \$136,486 transferred from the Division of Special Education, including \$15,607 general revenue.
- \$144,073 transferred from the Division of Vocational and Adult Education.
- \$2,812 outstanding schools trust fund transferred from the Division of School Improvement.
- (\$170,714) and (3.83) staff transferred to the Division of School Improvement.
- (\$44,352) federal funds and (2.17) staff transferred to the Division of School Improvement.
- (\$40,000) federal funds transferred to the Division of Special Education.
- (\$31,738) core reduction from the Fiscal Year 2002 appropriation level.

GOALS 2000: EDUCATE AMERICA ACT PROGRAM

The Goals 2000: Educate America Act was approved in 1994. Federal funds provided through this program were distributed to school districts on a grant basis. The grants were used for developing school improvement plans or enhancing teacher pre-service and in-service education. Fiscal Year 2001 marked the final year the federal government awarded Missouri a grant. The program was phased out in Fiscal Year 2002.

Fiscal Year 2003 Governor's Recommendations

- (\$9,271,015) federal funds core reduction from the Fiscal Year 2002 appropriation level.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISIONS OF SCHOOL IMPROVEMENT/TEACHER QUALITY AND URBAN EDUCATION (Continued)

VIDEO INSTRUCTIONAL DEVELOPMENT AND EDUCATIONAL OPPORTUNITY PROGRAM

The Video Instructional Development and Educational Opportunity Program provides grants to local school districts and colleges to increase their course offerings through satellite television.

Fiscal Year 2003 Governor's Recommendations

- (\$1,089,519) video instructional development and educational opportunities fund core reduction from the Fiscal Year 2002 appropriation level.

COMPUTER NETWORKING

The Outstanding Schools Act established a grant program to help school districts acquire computers, data transmission lines, networking hardware and software, science and mathematics laboratory equipment, and other equipment to promote the use of computers and telecommunications technology. Among other things, the grants assist in expanding the computer network connecting school districts, school buildings, and classrooms across the state with each other and with other educational institutions throughout the world. This network allows Missouri students to access information from libraries and universities worldwide.

Fiscal Year 2003 Governor's Recommendations

- \$1,381,183 federal funds for the Educational Technology Grants Program.
- (\$3,761,554) core reduction from the Fiscal Year 2002 appropriation level.

TITLE I - COMPENSATORY EDUCATION

Federal funds are available to local schools under Title I for compensatory education. Entitlements are awarded to school districts, institutions for delinquents, state institutions for the disabled, and adult correctional institutions with inmates under the age of 21. The grants are used to fund programs in remedial math, language arts, and reading.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

TITLE I – READING FIRST GRANT PROGRAM

Funded through Title I, this grant program provides resources to school districts for teacher professional development focused on reading instruction. The program serves students in the primary grades and a small portion could also be used for purchasing reading materials used for instruction.

Fiscal Year 2003 Governor's Recommendations

- \$14,908,815 federal funds for the Reading First Grant Program.

FEDERAL INSTRUCTIONAL IMPROVEMENT GRANTS

Under Title VI, states receive a percentage share of the federal appropriation based on the population from ages 5 through 17 years. Up to 15 percent of the funds may remain at the state level. The remainder of the funds received by a state must be passed through to local educational agencies for local education reform, programs for at-risk youth, professional development, and class size reduction.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISIONS OF SCHOOL IMPROVEMENT/TEACHER QUALITY AND URBAN EDUCATION (Continued)

STEPHEN M. FERMAN MEMORIAL FOR EDUCATION OF THE GIFTED

Mr. Milton Ferman and Mrs. Frieda Morgan Ferman established the Stephen Morgan Ferman Memorial for Education of the Gifted. Donations were made in their son's name, and the annual income may be expended through the state school moneys fund to enhance the educational opportunities of teachers of the gifted.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

MISSOURI SCHOLARS AND FINE ARTS ACADEMIES

The Missouri Scholars and Fine Arts Academies are three-week summer sessions for gifted students. The academies assist gifted students to achieve their full potential and stimulate the establishment and improvement of programs for gifted students.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

MIDDLE SCHOOL LEADERSHIP ACADEMY

The Middle School Leadership Academy Program provides financial assistance for a three-day camp attended by approximately 70 middle level student leaders. The students selected for the camp gain skills to create a more positive school climate that can reduce violence and harassment.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

HIGH SCHOOL SCIENCE, MATHEMATICS AND TECHNOLOGY INSTITUTE

The High School Science, Mathematics and Technology Institute serves approximately 150 students from most of the Kansas City area public, parochial and private high schools, and home-schooled students in a program sponsored by the University of Missouri-Kansas City.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

EARLY CHILDHOOD PROGRAM

The Early Childhood Program includes funding for Parents as Teachers through the Foundation Program. In addition, funds are provided for grants to schools and community partnerships for early childhood care and education programs.

Fiscal Year 2003 Governor's Recommendations

- \$100,000 federal funds for the Child Development Associate Training Program.
- (\$365,550) healthy families trust fund core reduction from the Fiscal Year 2002 appropriation level for accreditation and licensing of childcare facilities.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISIONS OF SCHOOL IMPROVEMENT/TEACHER QUALITY AND URBAN EDUCATION (Continued)

A+ SCHOOLS PROGRAM

The Outstanding Schools Act established the A+ Schools Program to award grants to schools. A+ Schools must design programs to ensure that all students graduate from school, complete a challenging course of studies with identified learner expectations, and proceed from graduation to postsecondary education or a high-wage job. The program provides career choices and community college scholarships for students who might otherwise be unable to attend college.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

STUDENT ASSESSMENT PROGRAM

The Outstanding Schools Act requires the Department of Elementary and Secondary Education to develop a statewide assessment system for districts to determine the degree to which their students are proficient in the knowledge, skills, and competencies necessary to be successful in the workplace and postsecondary education. The assessment must show what students can do as well as what they know.

Fiscal Year 2003 Governor's Recommendations

- \$7,184,722 federal funds to implement the annual state assessments required by the federal government for grades three through eight.

ADVANCED PLACEMENT AND DUAL CREDIT INCENTIVES

The budget includes funds to recognize public high school students who perform at a "proficient" or "advanced" level on statewide assessments. School districts will be eligible to receive grants on behalf of eligible students. The grants will pay for courses that lead to college credit for these students.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

TITLE II – IMPROVING TEACHER QUALITY

Funded through Title II, the federal Improving Teacher Quality Program authorizes grants to state and local education agencies for instructional improvements. School districts have used the funds to upgrade the skills and recruitment of teachers and administrators. These funds may also be used to reduce class sizes.

Fiscal Year 2003 Governor's Recommendations

- \$23,248,890 federal funds for the Improving Teacher Quality Program.

SCHOOL RENOVATION PROGRAM

The federal School Renovation Program provides grants to states for urgent school renovation, activities authorized under the Individuals with Disabilities Education Act (IDEA), technology activities related to school renovation, and charter school facility financing.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISIONS OF SCHOOL IMPROVEMENT/TEACHER QUALITY AND URBAN EDUCATION (Continued)

SAFE AND DRUG FREE SCHOOLS GRANT

The Department of Elementary and Secondary Education is eligible, on behalf of schools or groups of schools, for federal assistance under Title IV. The objectives of this program are to establish or designate local or regional advisory councils on drug abuse prevention; to establish or augment drug abuse education and prevention programs for students; and to coordinate school-based drug abuse programs with other programs in the community and with state and local health, drug and alcohol abuse, and law enforcement agencies.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

SAFE SCHOOLS GRANTS

The Safe Schools Grant Program is designed to help school districts implement safe school strategies to meet local needs. The grants can be used to purchase devices to improve physical security; to work with local police departments to provide police officers in school buildings; to develop other programs to increase security; and to place violent, abusive, and disruptive students in alternative education settings.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

PUBLIC CHARTER SCHOOLS PROGRAM

The Public Charter Schools Program was established to provide federal financial assistance for charter schools. Federal grants are awarded for planning, program design, and initial implementation of a charter school, and state funding is provided for the statutorily required evaluation of Missouri's charter schools.

Fiscal Year 2003 Governor's Recommendations

- (\$30,000) core reduction from the Fiscal Year 2002 appropriation level.

SCHOLARSHIP PROGRAM

The Scholarship Program established by the Excellence in Education Act of 1985 provides \$2,000 non-renewable scholarships to teacher education students. The department provides \$1,000 of the cost of each scholarship with \$1,000 provided by the participating college or university.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

CARING COMMUNITIES PROJECT

The Caring Communities Project's goals for children and youth are to remain in school while increasing their levels of success, to remain safely in their homes while avoiding out-of-home placement, and to remain out of the juvenile justice system. The project is being reconfigured to focus assistance to children attending failing schools.

Fiscal Year 2003 Governor's Recommendations

- (\$1,158,333) federal funds transferred to the Department of Social Services.
- (\$287,100) core reduction from the Fiscal Year 2002 appropriation level.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISIONS OF SCHOOL IMPROVEMENT/TEACHER QUALITY AND URBAN EDUCATION (Continued)

READ TO BE READY PROGRAM

HB 889 (1999) established the Read to be Ready Program to provide matching competitive grants to schools to focus on reading assessment, teacher administration, and training in the use of reading assessment and early grade reading intervention strategies for students experiencing reading difficulties.

Fiscal Year 2003 Governor's Recommendations

- (\$6,700,000) lottery proceeds fund core reduction from the Fiscal Year 2002 appropriation level.

COMPREHENSIVE SCHOOL REFORM DEMONSTRATION INITIATIVE

The Comprehensive School Reform Demonstration Initiative authorizes a research-based reform program that will allow grant awards to public schools for the implementation of whole-school, research-based reforms that qualify for funding.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

FEDERAL ADVANCED PLACEMENT

The federal Advanced Placement Program assists eligible low-income children in taking Advanced Placement exams for college credit.

Fiscal Year 2003 Governor's Recommendations

- \$121,000 federal funds for Advanced Placement exam fees for eligible students.

FEDERAL REFUGEE PROGRAM

The Department of Health and Human Services provides funding through the Refugee Children School Impact Grants Program to states and school districts. The funding defrays some of the cost faced by local school districts with significant numbers of refugee children.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

CHARACTER EDUCATION INITIATIVE

The Character Education Initiative provides character education teacher training and resources to Missouri school districts. The training and resources will allow schools to emphasize the importance of universal values such as responsibility, respect, trustworthiness, fairness, caring, and citizenship.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

NATIONAL BOARD FOR PROFESSIONAL TEACHING STANDARDS

Obtaining National Board Certification is a rigorous process that requires teachers to demonstrate they are knowledgeable and highly skilled. This funding is to assist and encourage Missouri teachers to apply for National Board Certification by subsidizing the cost of the application fee and reimbursing local schools for the cost of substitute teachers while the applicants are away from their classrooms.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISIONS OF SCHOOL IMPROVEMENT/TEACHER QUALITY AND URBAN EDUCATION (Continued)

MISSOURI STATE ACTION FOR EDUCATION LEADERSHIP PROJECT

The Missouri State Action for Education Leadership Project is a federal grant program designed to further the recruitment, training, and retention of school principals. The grant is funded from the Wallace Readers Digest group through the Council of Chief State School Officers.

Fiscal Year 2003 Governor's Recommendations

- \$300,000 federal funds for the Missouri State Action for Education Leadership Project.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISION OF VOCATIONAL REHABILITATION

The Division of Vocational Rehabilitation provides services to Missourians with disabilities to help them overcome impediments to employment. Counseling, training, and medical services are provided based on the specific needs of each client. Vocational rehabilitation counselors evaluate each client and prepare an individual rehabilitation plan.

Fiscal Year 2003 Governor's Recommendations

- \$787,347 federal funds and 20 staff to handle increased caseload reviews of disability recipient cases.
- \$262,582 and six staff to administer the Personal Care Assistance Program, including \$131,291 general revenue.
- (\$8,740) core reduction for one-time expenditures, including (\$4,370) general revenue.
- (\$7,046) core reduction from the Fiscal Year 2002 appropriation level.

VOCATIONAL REHABILITATION GRANT

The Vocational Rehabilitation Program provides job training, medical assistance, and other services to individuals with disabilities to help them function effectively in the job market. To be eligible for vocational rehabilitation services, a person must have a physical or mental disability that interferes with his or her ability to obtain or hold employment and have a reasonable chance of being able to work in suitable employment if appropriate services are provided.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

INDEPENDENT LIVING GRANT

The Independent Living Program provides services to severely disabled individuals, including physical and mental restoration, structural modifications to living areas, and equipment purchases that would significantly improve the person's ability to function independently or become employable. Federal funds with a ten-percent state match are used to fund the Independent Living Program. The department employs counselors and utilizes medical services and rehabilitation facilities to thoroughly evaluate the severely disabled individuals eligible for independent living services. An individualized, written, independent living plan is developed for the purpose of providing specific services to clients.

Fiscal Year 2003 Governor's Recommendations

- (\$265,138) transferred to the Independent Living Centers, including (\$33,225) general revenue.

DISABILITY DETERMINATIONS GRANT

The federal Social Security Administration contracts with the Department of Elementary and Secondary Education to determine whether applicants for Social Security benefits meet the necessary criteria for disabilities. The program involves purchasing extensive medical and vocational evaluations. An applicant's cost of travel to examinations is also paid from this grant. The program is funded entirely from federal funds.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

PERSONAL CARE ASSISTANCE

Many individuals with severe physical disabilities are confined to their homes or to institutions because they are unable to perform routine daily tasks such as bathing, dressing, and eating. The Personal Care Assistance Program provides personal attendant care to such persons to enable them to live more independently, maintain their current employment, or become employable.

Fiscal Year 2003 Governor's Recommendations

- \$23,514,548 for the Personal Care Assistance Medicaid Program, including \$8,949,549 general revenue.
- (\$4,002,175) core reduction in the Personal Care Assistance Medicaid Program, which is necessary to ensure a balanced budget. Because of the critical importance of this program to Missourians, the general revenue will be replaced with budget reserve funds in HB 14. Please see the Budget Reserve Fund section of the Missouri Budget for more information.
- (\$551,035) core reduction from the Fiscal Year 2002 appropriation level.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISION OF VOCATIONAL REHABILITATION (Continued)

INDEPENDENT LIVING CENTERS

The department is authorized to establish and maintain independent living centers to ensure statewide access for the severely disabled. Centers throughout the state provide disabled Missourians with self-help skills and knowledge to live more independently.

Fiscal Year 2003 Governor's Recommendations

- \$265,138 transferred from the Independent Living Grant, including \$33,225 general revenue.
- (\$282,174) core reduction from the Fiscal Year 2002 appropriation level.

PROJECT SUCCESS GRANT

The federal program, Strategies Utilizing Collaboration for Competitive Employment and Self Sufficiency (SUCCESS), authorizes the Missouri Division of Vocational Rehabilitation to expand employment opportunities for individuals with mental or physical disabilities who receive public support. A pilot project will be developed for the Missouri Career Center located in Columbia, Missouri, with the intention to exhibit promising new strategies for replication across Missouri's fourteen workforce investment regions.

Fiscal Year 2003 Governor's Recommendations

- \$500,000 federal funds for the Project SUCCESS Grant.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISION OF VOCATIONAL AND ADULT EDUCATION

The Division of Vocational and Adult Education provides individuals with programs and services that supply the technical knowledge and skills needed to prepare for employment. The division also develops state plans for vocational education and adult education and literacy that form the basis for distribution of federal and state funds to local education agencies. Other division responsibilities include reviewing and approving vocational education and adult education programs operated by local education agencies, processing applications for the tests of General Educational Development (GED), and assisting with the development and implementation of skill training programs for unemployed and underemployed adults.

Fiscal Year 2003 Governor's Recommendations

- (\$190,259) transferred to the Division of School Improvement, including (\$65,052) general revenue.
- (\$144,073) transferred to the Division of Teacher Quality and Urban Education.
- (\$2,360) federal funds core reduction for one-time expenditures.

DISTRIBUTION TO SCHOOLS

Grants are provided to educational institutions for improving vocational-technical programs. The grants may be used to provide new programs, enhance curricula, and upgrade equipment and facilities. At least 75 percent of program funding must be used for projects related to occupations with high labor market demand-to-supply ratios.

The state provides financial support to vocational programs located in public school districts, institutions of higher education, state agencies, and business establishments. Programs are designed to prepare individuals for gainful employment. The department distributes federal vocational funds and state funds to local school districts according to guidelines developed in an annual state plan for vocational education. The state and federal funds serve as an incentive to public schools to offer vocational education programs.

Since Fiscal Year 1987, new funds for area vocational schools are distributed through the "Effectiveness Index Formula," which resulted from an intensive study of vocational education completed in 1984. The formula rewards schools that provide programs with high placement rates and high labor market demand-to-supply ratios.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

WORKFORCE INVESTMENT ACT GRANTS

The federal Workforce Investment Act provides federal funds that can be used for skill training to 15 service delivery areas in Missouri. The service delivery areas contract with the Department of Elementary and Secondary Education to plan, implement, and administer skill training programs. The actual training is conducted by vocational schools, community colleges, or proprietary schools.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

ADULT BASIC EDUCATION

The Department of Elementary and Secondary Education works with local public schools to establish adult basic education programs. The adult basic education programs provide training in the fundamental skills of English, reading, and mathematics. To enroll in a class, a person must be 16 years of age or older, out of school, and lacking a high school diploma.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISION OF VOCATIONAL AND ADULT EDUCATION (Continued)

SPECIAL LITERACY GRANT AWARD PROGRAM

The Special Literacy Grant Award Program was established to respond to the increasing numbers of adults needing adult basic education services. A significant number of adults request services due to the mandatory participation requirements of the federal TANF/FUTURES Program.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

SCHOOL-AGE CHILDCARE

The federal Childcare and Development Block Grant provides funds to house school-aged childcare programs in school buildings when they are not being used for educational classes. Program evaluation and technical assistance are provided to local schools interested in implementing school-age childcare programs. The childcare programs must be in compliance with state and local licensing laws and regulations governing care for school-aged children.

Fiscal Year 2003 Governor's Recommendations

- \$4,778,758 federal funds for the 21st Century Community Learning Centers Program being funded through Title IV.

TROOPS TO TEACHERS

The Troops to Teachers Program is designed to encourage military personnel transitioning to the civilian labor force to consider teaching as a post-military career.

Fiscal Year 2003 Governor's Recommendations

- \$100,000 federal funds and 1.5 staff for the Troops to Teachers Program.

VOCATIONAL SCHOOLS CONSTRUCTION

Since 1965, the department has supported the development and maintenance of a responsive area vocational school network for employment training. Expansions, construction, and improvement projects to existing vocational school facilities is vital to improving the quality of vocational training.

Fiscal Year 2003 Governor's Recommendations

- (\$832,267) core reduction from the Fiscal Year 2002 appropriation level.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISION OF SPECIAL EDUCATION

The Division of Special Education is responsible for state and federal special education funds for Missouri public schools. The division also administers the budgets appropriated for the State Schools for the Severely Handicapped, School for the Deaf, and School for the Blind. Staff in the division monitor local school district programs for compliance with state and federal laws. The division also provides technical assistance and distributes state funds to the extended employment sheltered workshops.

Fiscal Year 2003 Governor's Recommendations

- \$40,000 federal funds transferred from the Division of Teacher Quality and Urban Education.
- (\$244,930) federal funds transferred to the Division of School Improvement.
- (\$136,486) transferred to the Division of Teacher Quality and Urban Education, including (\$15,607) general revenue.
- (\$31,738) core reduction from the Fiscal Year 2002 appropriation level.

SPECIAL EDUCATION GRANT

The Special Education Program provides federal grants to school districts to assist them in education programs and services for disabled children at the preschool, elementary, and secondary levels. The grants are used to purchase instructional and technological equipment and to purchase the services of teachers, ancillary staff, diagnostic staff, and administrators for better management of services to people with disabilities. The funds may also be used to provide in-service training for special education teachers and financial assistance to special education teachers working toward full certification.

Fiscal Year 2003 Governor's Recommendations

- \$23,052,922 federal funds for special education.

EXCESS COSTS/SEVERE DISABILITIES SERVICES

The Excess Costs/Severe Disabilities Services Program was established to assist school districts in providing special education services to students with severe disabilities that would otherwise attend a State Board Operated School.

Fiscal Year 2003 Governor's Recommendations

- (\$1,300,000) core reduction from the Fiscal Year 2002 appropriation level, including (\$1,124,512) general revenue.

FIRST STEPS

First Steps is an early childhood intervention program that serves children with severe developmental delays from birth to age two. The Department of Elementary and Secondary Education collaborates with the Departments of Health and Senior Services and Mental Health in providing First Steps services for children.

Fiscal Year 2003 Governor's Recommendations

- \$5,947,219 federal and other funds for the First Steps Program.

DFS/DMH SCHOOL PLACEMENTS

Children in residential placements through the Division of Family Services or the Department of Mental Health often are enrolled in schools outside their home districts. The state reimburses the districts where these children attend school for certain educational services when the costs exceed the amount received from the children's domiciliary districts and regular state school payments.

Fiscal Year 2003 Governor's Recommendations

- \$2,083,935 lottery proceeds fund for education of students publicly placed in a residential facility.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISION OF SPECIAL EDUCATION (Continued)

OPERATING MAINTENANCE AND REPAIR

The State Board of Education operates two residential facilities, the School for the Blind in St. Louis and the School for the Deaf in Fulton, and day-school facilities - the State Schools for the Severely Handicapped located throughout the state. These state-owned facilities need routine and preventive maintenance. This program allows maintenance staff to purchase materials and supplies to perform this routine and preventive care.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

SPECIAL OLYMPICS

The Missouri Special Olympics Program sponsors annual statewide events for more than 7,000 children with disabilities. The events include softball, track and field, basketball, soccer, and bowling tournaments. Participants compete regionally to become eligible to attend the statewide competition. All participants in the state events receive ribbons and personal recognition for their efforts.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

SHELTERED WORKSHOPS

Sheltered workshops are not-for-profit corporations that give people with disabilities a controlled working environment. Programs are designed to enable persons to progress toward normal living and develop their work capacities. A workshop is set up and operated as a business. The manager of the workshop bids on and acquires contracts for work from industries in the community. The Department of Elementary and Secondary Education assists the workshops in management, production, bidding, and pricing techniques.

Fiscal Year 2003 Governor's Recommendations

- (\$922,634) core reduction from the Fiscal Year 2002 appropriation level.

READERS FOR THE BLIND

The Readers for the Blind Program provides payments of \$500 per year per blind student enrolled in elementary and secondary schools to employ readers. Blind students attending local elementary and secondary schools need reading assistance when Braille or large print materials are unavailable.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

BLIND LITERACY TASK FORCE

The Blind Literacy Task Force was established to develop goals and objectives to guide the improvement of special education, related services, vocational training, transition from school to work, rehabilitation services, independent living, and employment outcomes for blind and visually-impaired students.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

BOARD OPERATED SCHOOLS OPERATIONS

The Missouri School for the Deaf provides elementary and secondary education, both academic and vocational, in a residential environment for deaf- or hearing-impaired students from ages 5 to 21 years. Located in Fulton, Missouri, the school provides separate facilities for primary age, intermediate age, and high school students. To be admitted to the Missouri School for the Deaf, a child must be a resident of Missouri and manifest a hearing loss that seriously limits his or her chances of success in a regular public school program. The school is tuition-free with no charge for room, board, transportation, laundry, or books. In addition to direct educational programs, the school offers extensive outreach and resource services to local educational agencies.

The Missouri School for the Blind, located in St. Louis, Missouri, offers elementary and secondary education, including academic, vocational, and special training, in a residential school environment for blind or visually impaired students from ages 5 to 21. The school provides special teaching methods, materials, and curriculum additions specifically needed by children with vision impairment. A program for students provides diagnosis, evaluation, individualized programming, physical therapy, occupational therapy, speech and language therapy, adaptive physical education, and audiological examinations.

State law mandates that all children in Missouri, regardless of any disabling condition, are entitled to an appropriate educational program. For students too severely disabled to be served effectively by local public schools, the Department of Elementary and Secondary Education operates 37 state schools and contracts with private non-profit agencies to provide educational services for children the state schools cannot practically serve. These schools offer day programs in basic and prevocational training with the ultimate goal of assisting students in functioning semi-independently in their homes and communities. Programs include self-care, sensory and perceptual training, language development, interpersonal relations, home-living, and functional academics. The state provides transportation for the students by contracting for transportation services and by operating state-owned buses. State funding for the State Board Operated Schools is appropriated in the Foundation Program.

SCHOOL FOR THE DEAF TRUST FUND

The School for the Deaf Trust Fund was established by law to receive gifts and bequests from individuals who wish to assist the Missouri School for the Deaf. The funds are invested or used for program improvements and facility additions at the School for the Deaf. Some funds are specifically donated for awards to students in areas such as scholarship, character, and leadership.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

SCHOOL FOR THE BLIND TRUST FUND

The School for the Blind Trust Fund was established by law to receive gifts and bequests from individuals who wish to assist the Missouri School for the Blind. The funds are invested or used for program improvements and facility additions at the School for the Blind.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

STATE SCHOOLS FOR THE SEVERELY HANDICAPPED TRUST FUND

The Handicapped Children's Trust Fund was established to receive gifts and bequests from individuals who wish to assist the State Schools for the Severely Handicapped. The money in the fund is invested each year in short-term securities or used to purchase supplies, equipment, and materials used in the state schools.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

MISSOURI OCCUPATIONAL INFORMATION COORDINATING COMMITTEE

Federal law requires Missouri to have a coordinating committee to develop an occupational information system to collect and disseminate occupational data and encourage the use of that information by training program planners and persons making career decisions.

Fiscal Year 2003 Governor's Recommendations

- \$111,000 federal funds for the Missouri Occupational Information Coordinating Committee.

COMMISSION FOR THE DEAF

Section 161.400, RSMo, authorized establishment of the Missouri Commission for the Deaf within the Department of Elementary and Secondary Education. Senate Bill 568 (1994) established a Board for Certification of Interpreters within the Commission for the Deaf. The board is responsible for certifying interpreters for the deaf prior to licensure.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

TRANSFER OF FUNDS TO VIDEO FUND

Funds are transferred from general revenue into the VIDEO fund to meet appropriation obligations for the Video Instructional Development and Educational Opportunities Program.

Fiscal Year 2003 Governor's Recommendations

- Total funds to be transferred from general revenue to the VIDEO fund \$ 0

	FY 2001 EXPENDITURE	FY 2002 APPROPRIATION	GOVERNOR RECOMMENDS FY 2003
General Revenue Fund	\$ 1,600,000	\$ 1,253,224	\$ 0

TRANSFER OF FUNDS TO OUTSTANDING SCHOOLS TRUST FUND

The Outstanding Schools Act (1993) provides revenues for the formula equity provisions of the act. These revenues are transferred from general revenue into the outstanding schools trust fund to pay for the initiatives in the Outstanding Schools Act.

Fiscal Year 2003 Governor's Recommendations

- Total funds to be transferred from general revenue to the outstanding schools trust fund \$ 421,300,000

	FY 2001 EXPENDITURE	FY 2002 APPROPRIATION	GOVERNOR RECOMMENDS FY 2003
General Revenue Fund	\$ 416,500,000	\$ 451,300,000	\$ 421,300,000

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

TRANSFER OF FUNDS TO STATE SCHOOL MONEYS FUND

Funds are transferred from general revenue and the gaming proceeds for education fund to the state school moneys fund to meet appropriation obligations.

Fiscal Year 2003 Governor's Recommendations

- Total recommended appropriation from state school moneys fund \$ 2,215,667,931
- Less amount available in state school moneys fund from gaming proceeds, gaming admission fees, cigarette taxes, investment earnings, prior year lapse, Ferman Memorial funds, and the balance (438,448,117)
- Total funds to be transferred from general revenue to state schools moneys fund \$ 1,777,219,814
- Total funds transferred from gaming proceeds for education fund 312,008,542
- Total transferred to the state school moneys fund \$ 2,089,228,356

	FY 2001 EXPENDITURE	FY 2002 APPROPRIATION	GOVERNOR RECOMMENDS FY 2003
General Revenue Fund	\$ 1,664,302,645	\$ 1,729,063,914	\$ 1,777,219,814
Gaming Proceeds for Education Fund	<u>179,335,388</u>	<u>186,751,000</u>	<u>312,008,542</u>
TOTAL	\$ 1,843,638,033	\$ 1,915,814,914	\$ 2,089,228,356

TRANSFER OF FUNDS TO SCHOOL DISTRICT BOND FUND

SB 301 (1995) allows up to \$7 million to be transferred from the gaming proceeds for education fund to the school district bond fund for use by the Missouri Health and Education Facilities Authority to pay costs associated with school bond issues and credit enhancement.

Fiscal Year 2003 Governor's Recommendations

- (\$1,728,542) gaming proceeds for education fund core reduction from the Fiscal Year 2002 appropriation level.

	FY 2001 EXPENDITURE	FY 2002 APPROPRIATION	GOVERNOR RECOMMENDS FY 2003
Gaming Proceeds for Education Fund	\$ 7,000,000	\$ 7,000,000	\$ 5,271,458